Revised re-scheduling of farm loans

3412. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government wants to set up a mechanism for re-scheduling farm loans when a farmer really needs it, rather than one time massive waiver like the recent Rs. 75,000 crore debt relief;

(b) whether independent studies show that many loan defaulters have immensely benefited from the waiver package, while causing resentment among farmers who have been prompt in their loan repayment obligations; and

(c) if so, the details of the revised loan schedule solely meant to help needy farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No, Sir. However, in order to provide relief to farmers in times of natural calamities, Reserve Bank of India has issued guidelines to banks which, *inter alia*, include conversion of the outstanding into term loans for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops, disbursement of fresh crop loans to the affected farmers, etc.

(b) and (c) No such report has come to the notice of this Department. However, it has been announced in the Union Budget Speech 2009-10 to provide an additional subvention of 1 per cent, over and above the subvention on short term crop loans, as an incentive to those farmers who repay such loans on schedule. Thus, the interest rate for such farmers will come down to 6 per cent per annum on short term crop loans.

New home loans of SBI

3413. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that SBI's new home loan do not appear to be an attractive one;

(b) if so, the reasons therefor; and

(c) the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No, Sir. The new home loan scheme of the State Bank of India (SBI) offers a rate of interest for the first three years ranging between 2% to 1.5% below the Prime Lending Rate of SBI. As a result there has been a spurt in sanction of home loans from 190 loans per day in the first quarter of last year to 350 loans per day in the first quarter of the current year.

(b) and (c) Does not arise.

WPI and CPI based inflation rates

3414. SHRI M. V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state: